Cloud Solution Provider (CSP) Program
direct bill enrollment requirements
Partner FAQ version 3

Digital transformation is evolving the way our customers do business. As Microsoft's Cloud Solution Provider (CSP) program continues to grow, we want to ensure that partners are positioned to address growing customer demand for cloud solutions, value-added services, and support.

In recognition of the increased complexity required for continued partner growth, Microsoft has updated the CSP direct bill enrollment requirements. Aligning our CSP program to meet the needs of customers – particularly around cloud usage, enablement, and support – can create more targeted opportunities for partners and enable partners to unlock the digital transformation opportunity for customers.

Table of Contents

Version 3, January 2019

Section 1: Overview

Direct Bill Requirements Summary

Q: What are the new CSP direct bill enrollment requirements?
A: The following CSP direct bill enrollment requirements will go into effect after August 31, 2018 at the anniversary date of partner's original onboarding to the CSP program (the date is displayed under "Program info" on the Partner Profile page of the Partner Center portal (previously called Partner Center Dashboard).

1) **Purchase a support plan and onboard your direct bill tenants onto a qualifying plan.**
   For this requirement you can choose from two paid options, based on your needs:

   - [Microsoft Advanced Support for Partners](#) helps you grow your cloud business at an economical, fixed price point. Partner with Microsoft to get prioritized, managed escalation support, pooled account management and actionable cloud enablement services for you and your customers.

   - [Microsoft Premier Support for Partners](#) provides the most comprehensive support across the entire Microsoft platform. Unlock the next business opportunity by embedding Microsoft proactive services into your offerings, benefit from a designated account manager, and get the highest queue priority with critical situation support.

2) **Demonstrate key capabilities**
   - Provide at least one managed service, IP service, or customer solution application: currently, the fulfillment of this requirement will be based on information reported by the partner during their enrollment process.
   - Enable customer billing and provisioning infrastructure: currently, the fulfillment of this requirement will be based on information reported by the partner during their enrollment process.

While there are no specific performance targets associated with these new requirements, your ongoing growth and performance will be considered as a key success component in the future – Microsoft will be communicating any updates in advance.

Q: What does "CSP direct bill" mean?
A: Direct bill is an enrollment option in the CSP Program that has new enrollment requirements starting August 31, 2018. Microsoft formerly referred to this enrollment as "Tier 1" or "direct reseller." The indirect provider nomenclature will remain, and an indirect reseller will be called a "CSP reseller."

Q: How can partners ensure to meet the criteria apart from buying a support plan?
A: Purchasing a partner support plan is a tangible criterion. Initially, meeting the other requirements will be self-reported to Microsoft during the enrollment process, but will eventually be instrumented via product and program telemetry in the near future. As we are continuously optimizing the program and process, partners should make a conscious decision based on all required criteria.

Q: Is there any specific performance target to meet the direct bill requirements?
A: As stated above, there are no performance targets associated with these new requirements at this point. However, we are continuously optimizing the way we measure and support partners to ensure their success with the program. As such, other criteria such as ongoing growth and revenue performance requirements might also be included to the program.

Q: (New) Was the Program Guide updated reflecting the new requirements?
A: Yes, the Program Guide was updated prior to the requirements going into effect on August 31, 2018 with the addition of the following description:

1.1.1 Additional Criteria for Company to qualify as Direct Partners

To qualify as a Direct Partner post August 31,2018, Company must purchase and maintain either the Microsoft Advanced Support for Partners (ASfP) plan or the Microsoft Premier Support for Partners (PSfP) plan prior to the anniversary of their Enrollment date. Enrollment date is defined as execution date of the Agreement. Microsoft, in its sole discretion may provide a grace period to Company, if they demonstrate substantial difficulty in meeting this requirement. Company is required to have at least one managed service or solution that uses Microsoft Intellectual Property (IP) as part of its sales portfolio to remain as a Direct Partner and must meet any performance or investment requirements set by Microsoft.

Timeline

Q: How long do I have after August 31, 2018 to meet requirements?
A: You will have to meet the new requirements on the anniversary date of your original onboarding enrollment to the CSP program. To find your anniversary date, go to Partner Center portal (previously called Partner Center Dashboard), click on Account Settings and then click on Partner Profile to find the anniversary date of your original onboarding under "Program info". As an example, if your anniversary date is in March, you will need to meet the new requirements on your anniversary date after August 31, 2018. In this case, you will need to meet the requirements on your anniversary date in March 2019.

Q: What will happen with a direct bill partner if they do not comply with the requirements by their CSP anniversary date? How would this impact their ability to provision services?
A: On January 14, 2019, we announced a new CSP indirect reseller transition capability that eases the transition from direct bill partner to indirect reseller and accelerates your new business growth

as an indirect reseller. This new capability allows the partners to operate as a direct bill and indirect reseller using the same direct bill tenant, providing a consistent experience during the transition.

Starting March 2019, all direct bill partners past their anniversary month without meeting the direct bill requirements will not be able to add new customers or services as a direct bill partner. They will only be able to conduct new business (add new customers and new subscriptions) as an indirect reseller only, working with an indirect provider, if they opt in to enable this capability in Partner Center (please see item below, **New Capability: Operating as direct bill and indirect reseller**). Those partners can manage existing customers with limited capability only – adding or deleting seats to existing subscriptions, and they will not be able to add new subscriptions to existing customers as direct bill partners.

Section 2: Transition to a CSP reseller

Overall Transition Guide

Q: What's the guidance for those existing partners with the direct bill CSP status?
A: If these requirements do not align with your business strategy, please consider continuing to work through Microsoft's indirect providers as an indirect reseller. Partners should work with an indirect provider who offers infrastructure, support, and services. Learn more about becoming a CSP reseller.

Q: I am currently participating in the CSP program in the direct bill option. Do I have to wait until my CSP anniversary date to transition to the CSP reseller option?
A: If you decide that being a CSP reseller is better aligned to your business model, you can find an indirect provider and transition to an indirect reseller at any time before the anniversary date.

New Capability: Operating as Direct Bill and Indirect Reseller

Q: What is the new capability that help me transition to a CSP indirect reseller?
A: In January 2019, we announced a new CSP indirect reseller transition capability that eases the transition from direct bill partner to indirect reseller and accelerates your new business growth as an indirect reseller. Once you enroll as an indirect reseller using the capability, it allows you to operate as a direct bill and indirect reseller using the same direct bill tenant for a limited transition period, providing a consistent experience during the transition. You can add new customers as an indirect reseller while maintaining your existing customer subscriptions in the same tenant with streamlined transition process.

Q: How can I get started? What are the key steps that I need to take to transition to an indirect reseller?

A: You should follow the instructions below to streamline your transition from a direct bill partner to indirect reseller.

1. Keep your partner MPN profile up to date
2. Transition and enroll (opt in) as an indirect reseller using existing direct bill partner tenant
3. Operate as indirect reseller
   - Partner with indirect provider(s): To operate as an indirect reseller, you must partner with one or more indirect providers. If you're not already working with an indirect provider, you can [search the list of official Microsoft CSP indirect providers](#).
   - Accept a partnership invitation from your indirect provider
   - Acquire new customers as an indirect reseller. For customers with existing Azure AD tenant, establish reseller relationship by sending an indirect reseller invitation. If customer does not yet have an Azure AD tenant, create one through your indirect provider.
   - Make purchases for new customers through your indirect provider.
4. Manage existing customers
   - Effective March 2019, <u>new purchases</u> using direct bill capability will no longer be allowed after your CSP anniversary month. Existing direct bill subscriptions will remain valid.
   - You can make new purchases for these customers via your indirect provider, provided the customers have accepted indirect reseller invitations.
5. Enroll for CSP indirect reseller incentives

For more information, please [transition from CSP direct bill partner to indirect reseller guide](#) page .

Q: Once I am enrolled as a CSP indirect reseller using the new capability, how long do I have until direct bill capability will be restricted?

A: Starting March 2019, all direct bill partners past their anniversary month without meeting the direct bill requirements will lose the ability to add new customers as a direct bill partner – you will only be able to add new customers and new subscriptions to existing customers as an indirect reseller, working with an indirect provider. You will be able to continue to manage their existing direct bill customers with limited capability (including adding or editing seats to the existing subscriptions), but you no longer will be able to add new customers and subscriptions as a direct bill partner.

Q: What will happen if I do not enroll as an indirect reseller using the new capability?

A: Starting March 2019, after your anniversary month, your direct bill capability will be restricted, and you will only be able to add new customers and new subscriptions as an indirect reseller, using a separate tenant. Your direct bill tenant will only allow you to maintain your existing

customers, adding or deleting seats to existing subscriptions - you will not be able to add new subscriptions to existing direct bill customers.

Q: After the direct bill capability is restricted, will I still be able to able to manage my existing customer's subscriptions?

A: Once the direct bill capability is restricted, you will only able to manage existing customers, adding or deleting seats to existing subscriptions - you will not be able to add new subscriptions to existing direct bill customers.

Q: How should I create a new Azure AD tenant for customer?

A: Unlike direct bill partners, indirect resellers do not have the capability to create new customer tenants in Partner Center. Instead, they must work with their indirect providers to do so. When creating a new customer tenant, the indirect provider has the option to specify you as the indirect reseller for the customer tenant. This ensures that the newly created tenant has reseller relationship with you and will automatically appear under your Customers list in Partner Center.

Q: Once I enroll and start operating as both direct bill and indirect reseller, how can I get invoices and billing information? Will I get two invoices – one from Microsoft and another from my indirect provider?

A: Yes – you will continue to be billed directly by Microsoft for all active or suspended subscriptions on your direct bill tenant instance, until these subscriptions are either cancelled or transferred to your indirect reseller instance. You will also receive another invoice from the indirect provider you decided to work with, for all new business done as an indirect reseller (provided that new service was provisioned through your indirect reseller instance).

Q: Does the indirect provider take over billing for the new customers added under my indirect reseller business?

A: Unless you specifically ask the indirect provider to take over the end-customer billing responsibility, you will continue to be responsible for billing your end-customers. Some indirect providers can provide billing services to customers on your behalf (this service might come at an additional cost). Also, indirect providers might provide a better CSP price for resellers that take the ownership of billing their end-customers. We encourage you to discuss this option with your indirect provider.

Q: I have already created a separate tenant as an Indirect Reseller, what should I do?

A: If you have already created a separate tenant for Indirect Reseller, then the transition functionality is not applicable. You can continue to use the Direct tenant to manage existing customers until you have migrated all customer subscriptions to your indirect reseller tenant.

Q: If my existing customer want to add new subscriptions after March 2019 past my anniversary date, how can I add new subscriptions?

A: You can add new subscriptions to the existing customers as an indirect reseller. Customer must first accept an indirect reseller invitation (with your indirect provider specified) before the purchase through your indirect provider is allowed.

Q: After my anniversary date, will my MCRA contract be terminated?
A: Microsoft will not terminate your MCRA contract until further notice. You should start working with your indirect providers to transition your existing direct bill customer subscriptions to the indirect provider with whom you established a reseller partnership.

Important note:

- Once you enroll as an indirect reseller using the new capability, there is <u>no option to roll back or reverse</u> as a direct bill only tenant. Please make sure that you fully evaluate your business needs before enrolling as an indirect reseller.
- Initially, this new transition capability will be available for partners with September to December anniversary dates. If you do not have an anniversary date between September and December, you will not see the capability at this time. Partners with anniversary dates after December 2018 will be notified later once the feature is enabled for the partners.

Finding an Indirect Provider

Q: How will I determine which indirect provider has the best options for me?
A: You can search for indirect providers in your market here. Our global network of indirect providers has invested heavily in the CSP program and they have thousands of partners already working with them today. Many have CSP program advisors who can explain all aspects of the indirect model to prospective resellers.

Q: How can I be sure that the indirect provider that I choose to work with can support me and my customers better than what I have in place today?
A: Microsoft has built a global network of qualified indirect providers who have invested heavily in their business to help partners be successful in the CSP Program. We recommend you interview those in your market and find the best partner for your business success. Indirect providers can support you with a variety of solutions (that might be offered at an extra cost or as part of their basic offerings):

- **Support** – many can offer helpdesk support to your customers on your behalf.
- **Commerce Portal** – Some enable you to use their commerce portal, so you can take customer orders with minimal involvement by the indirect provider.
- **Bring together ISV solutions** – many indirect providers often aggregate hardware and software to enable you to create a complete solution.
- **Business services & guidance** – some indirect providers will help their resellers to transform their business by offering complementary services and guidance on how to grow revenue.
- **Financial solutions** – some indirect providers provide value added financial solutions that may be more suitable to you when compared to traditional financing instruments.

Transition Process

Q: If I transition from a direct partner to indirect reseller, will there be a difference in the Microsoft CSP incentives I earn?
A: As part of transitioning to an indirect reseller, you may be qualified to receive indirect reseller incentives. Eligibility to earn FY19 CSP indirect reseller incentives requires:

- An active MPN membership
- Attainment of a defined competency at the silver or gold level*
- Complete the onboarding process including

Once you have successfully enrolled as indirect reseller on your existing direct bill partner tenant and fulfill the required eligibility components*, you will receive an invitation to enroll for the indirect reseller incentive program within 30 days. The invitation is based on the partner MPN account that is currently associated with your CSP partner tenant. The invitation will be sent to the email address associated with the partner MPN account owner.

For additional information and a list of defined competencies, please reference https://aka.ms/partnerincentives.

Q: What is the customer experience (billing and support) if I move from being a CSP direct bill partner to a CSP reseller?
A: There is no impact to customers in this transfer other than their accepting a new reseller relationship request from the indirect provider. Nevertheless, Microsoft is always working on improving the transition experience and will communicate any updates as they become available.

Q: How do I continue to support my customers while working with an indirect provider?
A: Microsoft has invested significantly into enhancing functionality for indirect resellers in Partner Center portal (previously called Partner Center Dashboard) and the various tools the indirect providers offer for managing your customers should be a key consideration in selecting the right indirect provider to work with.

Considerations might include:
a) Admin access to customer tenants – note that by default a CSP relationship request as indirect reseller creates delegated admin privileges (DAP) for O365, but the indirect provider still needs to manually add resellers for Azure.
b) Ability to create trials and quotes for customers is supported by many indirect providers through their online provisioning tools.
c) Leveraging "designated support contact" so that the reseller is displayed in the customer's O365 portal as a contact.

Q: If I transition to an indirect reseller, do I have to migrate my customer subscriptions?
A: You should start working with your indirect providers to transition your existing direct bill customer subscriptions to the indirect provider with whom you established a reseller partnership. With the announced functionality, you will still be able to manage those subscriptions using your direct bill tenant, once enabled.

Q: If I want to move from direct partner to an indirect reseller and want my security deposit returned, is there a process for this?
A: Microsoft has an existing process to support such requests. We will process the refund once the transition has been completed and all your direct billing accounts receivable are paid. Please contact our Credit Check team (WOCS Risk – CSP) at ucmwrcsp@microsoft.com with your request to refund a security deposit.

Q: I am only generating under $10K of CSP revenue annually, but still think direct bill is right for me. Can I stay in direct?
A: While we are not publishing performance criteria at this time, please know that revenue is one of several aspects that are taken into consideration. Some of these aspects include and are not limited to: performance and growth (for example: usage, consumption, customer success management, customer base growth, Microsoft platform and solution selling, revenue performance and growth); investment in Microsoft support; and demonstrated capabilities in value-added solutions (IP, managed services, customer solution applications).
If these conditions are met, you can remain as a direct bill partner, even if your current CSP revenues are small. If these new requirements don't align with your business model, or if you decide not to invest in Microsoft support offerings, we encourage you consider becoming a CSP reseller. We want to ensure partners have the right model, and we are working now on operationalizing the transition process.

Section 3: Grow as a Direct Bill partner

Enrollment

Q: I'm currently not a direct bill partner but I meet these new requirements; How can I apply?
A: Please make sure you meet all new requirements and enroll here under the direct bill enrollment section.

Purchasing Partner Support Plans

Q: Why is Microsoft requiring the purchase qualified partner support plan, Microsoft Advanced Support for Partners (ASfP) or Microsoft Premier Support for Partners (PSfP)?

A: Our customers are navigating increasingly complex cloud architectures that require additional focus from both Microsoft and partners to effectively support customer success. Microsoft's qualified support plans are designed to meet this level of complexity across the Microsoft cloud offerings. When CSP direct bill tenants are entitled on one of these plans, partners will be able to submit tickets on behalf of their customers and have a direct line to Microsoft to resolve issues, an account manager and ensure excellent product experiences.

Q: How do I purchase a paid support offering? Where can I find price information?
A: If you're interested in Microsoft Premier Support for Partners, you can initiate a discussion with a support specialist to build your tailored offering. Get the conversation started>

If you're interested in Microsoft Advanced Support for Partners, you can initiate the buying experience by filling out a digital form. Buy now>

Q: How can I decide which Microsoft qualified support offering is best for me?
A: Here are a few quick videos to help you decide:

Compare Microsoft Partner Support Solutions – Advanced and Premier Support for Partners

Premier Support for Partners - Overview

Q: What are the benefits of Advanced Support for Partners?
A: Advanced Support for Partners helps you grow your cloud business at an economical, fixed price point. Partner with Microsoft to get prioritized support, pooled account management and actionable cloud enablement services for you and your customers.

Specific benefits for partners:
1. Technical support – Get fast prioritized cloud support for you and your customers for Azure, Office 365, and Dynamics 365.

2. Cloud enablement services-Benefit from hand-picked cloud enablement services that can help you accelerate cloud adoption.

3. Account management-Work with a pooled services Account Manager for escalation management and advocacy within Microsoft.

Q: What are the benefits of Premier Support for Partners?
A: Microsoft Premier Support for Partners is the most comprehensive support plan across the entire Microsoft platform. Unlock the next business opportunity by embedding Microsoft proactive services into your offerings, benefit from a designated account manager, and get the highest queue priority with critical situation support.

Specific benefits for partners:
- Prioritized support—Get faster response times for you and your customers, as well as critical situation support for the most pressing cases.
- Proactive services—Leverage the entire catalog of 700+ premier services to generate new business opportunities and increase customer satisfaction.
- Account management—Benefit from a designated account manager for escalation management and advocacy within Microsoft.
- Enhanced solutions—Utilize in-depth support services that help solve the most complex of IT challenges, designed to ensure full optimization and maximum uptime.

Q: How can I find additional information about the services and costs?
A: You can visit the Compare Support Offerings page to learn more about what's included and the base prices for Premier Support for Partners and Advanced Support for Partners.

Q: (New) I am a Gold or Silver competency partner. Why doesn't my MPN competency support cover the CSP requirement?
A: Microsoft knows that a consistent direct line available for direct bill partners is a key to our mutual success. Advanced Support for Partners and Premier Support for Partners service plans provide the direct line to Microsoft. Both plans provide an account manager to help partners plan and execute on their top priorities, optimize their cloud business, and accelerate their customers' adoption of online services, in addition to receiving prioritized support and access to enhanced services like Cloud Consults, Cloud optimization analysis, and more.

Q: Can end-customer support be outsourced by the CSP partner to a third-party?
A: Yes, this is possible today and can be continued. However, we still will confirm whether a partner has purchased ASfP or PSfP. While a partner can outsource customer support, there will still be a requirement to purchase one of the support contracts and onboard your direct bill tenants to these contracts to ensure the highest quality service. The requirement for ASfP or PSfP is not just about access to support – it encompasses the broader need for partners ongoing investment in new products/offers and in growth through richer, more complex customer engagements. For example, partners are able to outsource Tier 1 support to a third party while leveraging ASfP or PSfP to handle Tier 2 escalations.

Q: If a company is a direct bill CSP in multiple geographies, do they require an Advanced Support for Partners agreement in each country?
A: The partner would need one Advanced Support for Partners agreement to cover the regions they operate in on CSP. Partners should work with their Service Account Manager to ensure their

direct bill tenants are entitled on the support plan. The Service Account Manager covers a single time zone and operates during those posted business hours. However, if direct bill Partners want a Service Account Manager in different regions/time zones, they would need to purchase additional Advanced Support for Partners agreements to support that local region.

Q: If a company is a direct bill CSP in multiple geographies, do they require a Premier Support for Partners agreement in each country?
A: The partner only needs to purchase Premier Support for Partners for one location to meet the direct bill requirement. However, only the country that purchased the plan will have access to the benefits. As such, Microsoft recommends you customize your premier support plan to cover your entire organization to access the highest level of support for the direct bill tenants associated with this support contract.

Q: (New) Can a partner cancel/suspend the purchase of the support plans?
A: Once a partner signs the ASfP/PSfP contract, there are no cancellations or refunds unless otherwise provided in the ASfP/PSfP contract. The partner has committed to a year-long subscription. However, due to the processing timeline of this transition, there is time to determine if they want to cancel prior to getting the ASfP or PSfP contract signed. It is important to pass the first qualification steps from the direct bill CSP onboarding desk, and then purchase a plan to avoid any refund issues due to non-qualification.

Section 4: Key Contacts

Q: (New) Whom should I contact if I have specific questions related to transitioning from direct bill to Indirect Reseller?
A: You can submit your questions to Support via service request from online submission in Partner Center portal (previously called Partner Center Dashboard).

Q: (New) Whom should I contact if I have questions related to the CSP direct bill enrollment process?
A: You can contact cspdbq@microsoft.com for the questions related to Direct Bill enrollment process.